

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)	
)	No. D 04 – 221
METROPOLITAN GROUP)	
PROPERTY AND CASUALTY)	CONSENT AND ORDER
COMPANY,)	TO PAY FINE
)	
An Authorized Insurer.)	
_____)	

FINDINGS OF FACT

- 1) In June of 2003 the company introduced a new computer billing program the purpose of which was to specifically satisfy the requirements of Washington law regarding the use of credit insurance.
- 2) Due to a programming error some policies renewed into the program without proper credit and some renewed with incorrect premiums.
- 3) The result was an overcharge to consumers of \$310,403.00.
- 4) The errors were identified on November 17, 2003 and corrected January 28, 2004
- 5) All money was reimbursed to consumers.

CONCLUSIONS OF LAW

- 1) RCW 48.18.292(b) requires renewals be accompanied with an explanation and amount by which premium has changed from the previous period.
- 2) Metropolitan failed to do so in its renewals.

CONSENT TO ORDER

NOW, THEREFORE, the company consents to the following in consideration of the desire to resolve this matter without further administrative or judicial proceedings, and the Insurance Commissioner consents to settle the matter in consideration of the company's fine and such terms and conditions as are set forth below.

- 1) The company consents to the foregoing Findings of Fact and Conclusions of Law as they pertain to these facts, consents to the entry of this Order and waives further administrative or judicial challenge to the OIC's actions related to the subject matter of this Order.
- 2) Within thirty days of the entry of this Order the company agrees to pay to the OIC a fine in the amount of \$63,750.00, of which \$31,875.00 is suspended for a period of two years on condition that the company shall not violate the provisions of the Washington State Insurance Code which is the subject of this Order.
- 3) Failure to pay the fine set forth in paragraph two shall constitute grounds for the revocation of the company certificate of authority and for the recovery of the full fine, including the suspended portion.
- 4) The company further consents to conduct annual self audits during this two year period and report any premium discrepancies pursuant to RCW 48.18.292(b) to the OIC.
- 5) The company understands and agrees that failure to comply with the statutes and regulation which are subject of this Order during the two year period following entry of this Order shall constitute grounds for recovery of the suspended portion of the fine.

EXECUTED this _____ day of _____, 2004.

METROPOLITAN GROUP PROPERTY AND CASUALTY COMPANY

By: _____

Title: _____

ORDER OF THE COMMISSIONER

NOW, THEREFORE, pursuant to the foregoing Findings of Fact and Conclusions of Law, and Consent to Order, the Insurance Commissioner hereby orders as follows:

- 1) Metropolitan Group Property and Casualty Insurance Company is ordered to pay a fine of \$63,750.00, of which \$31,875.00 is suspended upon the condition the company fully comply with the laws of the State of Washington which are the subject of this Order for the next two years.
- 2) Metropolitan Group Property and Casualty Insurance Company is ordered to conduct annual self audits during the two year period from the entry of this order and report any premium discrepancies pursuant to RCW 48.18.292(b) to the OIC.

- 3) The company's failure to pay the fine or to conduct the annual self audits and report to the commissioner shall result in the revocation of the insurer's Certificate of Authority, and in the recovery of both the suspended and unsuspended amounts of the fine through a civil action brought on behalf of the commissioner by the attorney general.

ENTERED AT TUMWATER, WASHINGTON this ____ day of _____,
2004.

Mike Kreidler
Insurance Commissioner

By: _____
Mary M. Cotter
Staff Attorney, Legal Affairs